# In the Supreme Court of the United States

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OCTOBER TERM, 1966.

No. 743.

NORTON COMPANY,
STUDEBAKER-PACKARD CORPORATION
and
HADCO CORPORATION,
*Petitioners,*

vs.

MINNESOTA MINING AND MANUFACTURING COMPANY,
*Respondent.*

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT.

## BRIEF FOR RESPONDENT IN OPPOSITION.

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ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT.

## BRIEF FOR RESPONDENT IN OPPOSITION.

## THE NATURE OF THIS CASE.

This is a patent suit.

It turns on the meaning of one sentence in 35 U. S. C. 184. The sentence has been passed upon in 19 decisions by 15 federal judges in 11 separate jurisdictions. Every court that has looked at the sentence (except only the District Court in this case) has read it as did the Court of Appeals in the decision below.

The critical sentence says that (where a license is required for filing a patent application abroad):

> "*The license may be granted retroactively* [by the Commissioner of Patents] where an application has been inadvertently filed abroad and the application

> does not disclose an invention within the scope of Section 181 of this title [i.e., does not disclose an invention of importance to national security, for, if it does, the application will be sealed and no patent will issue]." 35 U. S. C. 184.[1]

The invention in this case concerns a scouring pad—revolutionary, to be sure, as the Court of Appeals noted, but not warlike.[2]

Judge Connell, in the United States District Court in Cleveland, held the sentence means a license may be granted retroactively *if*, but only if, it is granted *before* the United States patent issues. Upon this reading the District Court, on March 30, 1965, entered summary judgment and held the patent in suit invalid. 240 F. Supp. 150.

The United States Court of Appeals for the Sixth Circuit (Judges O'Sullivan, Weick and Celebrezze) found no such limitation. The Court of Appeals considered "Congress spoke plainly," [3] and, quoting the sentence, observed:

> "This is clear language and we are unable to read into it the restriction relied on by appellee [petitioners here] and imposed by the District Judge, viz: that the Commissioner's authority to grant the license ends once the patent has issued. The only restriction imposed on the Commissioner is that he must find inadvertence in the foreign filing and that disclosure of the invention would not be detrimental to the national security." [4]

The Court of Appeals accordingly reversed the summary judgment, correctly as respondent believes, and remanded the case to the District Court for trial on the merits. 366 F. 2d 238.

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[1] Emphasis supplied throughout.

[2] Appendix to Petition for Certiorari, page 4A.

[3] Appendix to the Petition for Certiorari, page 7A.

[4] Appendix to Petition for Certiorari, page 6A.

## QUESTION PRESENTED.

Petitioners tender questions, each based on the assumption that the "patent is invalid." This is the very issue in controversy and, of course, may not be assumed. Devoid of petitioners' inadmissible assumption, the question the record presents is:

> Whether, under 35 U. S. C. 184, which says "The license may be granted retroactively," the Commissioner of Patents may grant the retroactive license after, as well as before, the United States patent has issued.

The District Court said "No"; the Court of Appeals said "Yes."

Although the case turns on a single sentence, it will be useful to observe its setting in—

## THE STATUTORY PLAN.

35 U. S. C. 184, which carries the critical sentence, is one of eight sections, 35 U. S. C. 181 through 188, that took their present form in 1952, 66 Stat. 792, 805, in a codification of earlier acts, some going back to 1917.

These statutes specify that a patent application be not filed abroad prior to six months after the American filing, except upon leave of the Commissioner of Patents. If during that six-months' period it is determined, as 35 U. S. C. 181 puts it, that disclosure of the invention would:

> "be detrimental to the national security,"

a seal of secrecy will be imposed and no patent will issue. If, however, no secrecy order issues within the six-months' period, foreign filings may be freely made without license.

Since most inventions do not involve any element of national security, 35 U. S. C. 184 authorizes the Commissioner of Patents to permit, by license, the instant filing

of a patent application abroad without waiting the six-months' period. Additionally, recognizing that, in view of human frailty, applications may be inadvertently filed without license, the statute adds the here governing sentence:

> "*The license may be granted retroactively* where an application has been inadvertently filed abroad and the application does not disclose an invention [material to national security]." 35 U. S. C. 184.

The role this provision plays in the present case will become apparent from—

## THE STATEMENT OF FACTS.

The action is brought by respondent, Minnesota Mining and Manufacturing Company, commonly known as 3M, owner of Hoover patent, U. S. No. 2,958,593 (165a)[5] against petitioners, Norton Company, manufacturer (through its Behr-Manning Division) of the accused product (26a, 16a-19a, 67a-68a), Studebaker-Packard Corporation, distributor of the accused product (72a, 80a, 91a), and Hadco Corporation, a seller. (95a-96a.) The 3M product is marketed under the brand "Scotch-Brite" and the accused product is marketed as "Bear-Tex."

### —License Requirement Was Not Ignored.

The initial application for the patent was filed February 21, 1957. (143a.) That application, the Court of Appeals noted, "disclosed the first eight claims of the patent, which are the claims in suit." [6] (111a, 181a, 182a.)

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[5] References with the subjoined lower case "a" are to "Appellant's Appendix" and "Appellant's Supplemental Appendix" filed in the court below and certified here; references with a subjoined "b" are to "Appellee's Appendix" and "Appellee's Supplemental Appendix" similarly certified here.

[6] Page 4A of the Appendix to the Petition for Certiorari.

The foreign filings which led the District Court to grant the motion for summary judgment were made January 19-24, 1959. (190a-191a, 229a.)

Although the initial application was thus on file *for nearly two years* before the foreign filings, the District Court struck down the patent because on October 8, 1958 (which was *within* six months of the January 1959 foreign filings) a second, or, as the patent law puts it, a "continuation in part" application was filed which added disclosure of a specific embodiment of the invention covered by later allowed claims 12 and 13, not here sued upon. (182a, 111a.)

The patent issued on November 1, 1960 (165a) on a third continuation-in-part application filed January 11, 1960 (163a) which added the subject matter of claims 9, 10 and 11, also not here sued upon. (111a.)

**(i) License Was Applied for Before the Foreign Filings Were Made.**

When it was decided to file abroad, after the second patent application, 3M directed Langner, Parry, Card & Langner, of Chicago, experts in this field, to attend to the foreign filings. (199a.) That firm, on January 8, 1959, *before* the foreign filings, applied to the Commissioner of Patents for a license. (141a.) The license was granted on February 5, 1959. (142a.)

However, as it turned out—

**(ii) Foreign Filings Were Inadvertently Made 12 to 17 Days Before License Issued.**

By a stenographer's error (27b-28b, 30b-31b, 79b-83b) and a lawyer's failure to catch that error (89b-90b) applications went to five foreign countries, and were filed, 12 to 17 days *ahead* of the license that had theretofore

been applied for and which issued on February 5, 1959. (142a.)

This mischance remained unknown and undiscovered for more than five years. (199a, 200a.)

Counsel for 3M learned of the blunder on the eve of trial when they sought information, not available at 3M, to respond to last-minute interrogatories served by Norton (after the case had been pending for more than three years). To get the needed information counsel for 3M directed inquiry, on December 15, 1964, to Langner, Parry, Card & Langner, and that firm in searching its records discovered, and reported to counsel for 3M, the disquieting news that the foreign filings had been made a few days before the license was in hand. (199a.)

**(iii) Application Was Forthwith Made for Retroactive License, Which Commissioner of Patents Granted.**

When investigation confirmed the error, counsel for 3M instantly applied to the Commissioner of Patents on December 22, 1964, for a retroactive license under 35 U. S. C. 184. (199a.)

The Commissioner granted the license on January 8, 1965, "retroactive to January 8, 1959," the date on which the initial license had been applied for, which was prior to the foreign filings. (230a, 196a.)

**—Proceedings in Courts Below.**

When the case was called for trial on Monday, January 4, 1965, the District Court was advised of the pending application for a retroactive license. (180a, 194a.) Instead of staying proceedings, the District Court in an oral opinion from the bench granted the motion for summary judgment that Norton had, just before the trial, filed on December 23, 1964. (186a-194a.) However, no judgment

was entered, and, when the retroactive license issued four days later, on Friday, January 8, 1965, the District Court reconsidered the matter (220a-229a), but, on March 30, 1965 (232a), notwithstanding the retroactive license, entered judgment on the motion for summary judgment adjudging the patent invalid. (220a-228a, 231a.)

Thereupon followed the appeal and the reversal by the Sixth Circuit.

## ARGUMENT.

### THIS CASE DOES NOT CALL FOR GRANT OF WRIT.

The standards declared by this Court for review are not here satisfied.

### I. NO COURT, EXCEPT DISTRICT COURT IN THIS CASE, HAS FOUND DIFFICULTY WITH STATUTE.

When this case came before the District Court it was believed the question was one of first impression. In the flurry occasioned by the last-minute motion for summary judgment it was not possible to make the search the District Court would surely have welcomed—and surely would have followed.

As it turned out, precisely the same question had previously come before three district judges, and each, unaware of the other then pending cases, had independently read the statute in the same way as the Court of Appeals was later to read it in this case, namely:

*McCulloch Motors Corporation v. Oregon Saw Chain Corporation*, Civil Action No. 919-57-PH, decided July 29, 1963, by Judge Hall in the United States District Court for the Southern District of California, unreported, but reproduced at 253a-254a;

*Blake v. Bassick Company*, 146 USPQ 157, decided November 5, 1963, by Judge Robson in the United States District Court for the Northern District of Illinois;

*Engelhard Industries, Inc. v. Sel-Rex Corporation*, 145 USPQ 319, decided January 11, 1965, by Judge Meaney in the United States District Court for the District of New Jersey.

**(i) Courts That Have Passed on Problem Have Uniformly Rejected District Court's Reading.**

Subsequent to the District Court's decision—and before the reversal in the Court of Appeals—the District Court's decision in this case was urged upon other district judges. In each instance each judge who had the matter before him rejected the reasoning of the District Court in this case and found in the statute the same meaning the Sixth Circuit was later to find there stated in "clear language," *viz*:

*Engelhard Industries, Inc. v. Sel-Rex Corporation*, 145 USPQ 325, decided April 12, 1965, by Judge Meaney in the United States District Court for the District of New Jersey;

*McCulloch Motors Corporation v. Oregon Saw Chain Corporation*, Civil Action No. 919-57-PH, decided April 15, 1965, by Judge Hall in the United States District Court for the Southern District of California, unreported, but reproduced at 255a-257a;

*Pillsbury Company v. Brenner*, 146 USPQ 99, decided June 29, 1965, by Judge Jackson in the United States District Court for the District of Columbia;

*Blake v. Bassick Company*, 245 F. Supp. 635, decided June 30, 1965, by Judge Robson in the United States District Court for the Northern District of Illinois;

*McCormick v. Brenner*, 146 USPQ 340, decided June 30, 1965, by Judge Jackson in the United States District Court for the District of Columbia;

*McCulloch Motors Corporation v. Oregon Saw Chain Corporation*, 245 F. Supp. 851, decided August 5, 1965, by Judge Hall in the United States District Court for the Southern District of California;

*Davidson Rubber Company v. Sheller Manufacturing Corporation*, 248 F. Supp. 842, decided December 1, 1965, by Judge Stephenson in the United States District Court for the Southern District of Iowa;

*Nordberg Manufacturing Co. v. Jackson Vibrators, Inc.*, Civil Action No. 63C 2250, decided February 10, 1966, by Judge Decker in the Northern District of Illinois, unreported, but reproduced at 261a-262a;

*Pillsbury Company v. General Mills, Inc.*, 252 F. Supp. 747, decided February 10, 1966, by Judge Nordbye in the United States District Court for the District of Minnesota;

*Barr Rubber Products Company v. Sun Rubber Company*, 253 F. Supp. 12, decided March 9, 1966, by Judge Feinberg in the United States District Court for the Southern District of New York;

*Union Carbide Corporation v. Microtron Corporation*, 254 F. Supp. 299, decided May 24, 1966, by Judge Craven in the United States District Court for the Western District of North Carolina;

*Ross v. McQuay, Inc.*, 150 USPQ 510, decided July 26, 1966, by Judge Devitt in the United States District Court for the District of Minnesota.

Following the decision by the Court of Appeals two more cases (adopting the reasoning of the Court of Appeals in this case and rejecting that of the District Court) have come down:

*Knoll Associates, Inc. v. Contemporary Shells, Inc.*, Civil Action No. 65-C-1200, in the United States District Court for the Eastern District of New York, decided October 3, 1966, by Judge Zavatt;

*Knoll Associates, Inc. v. Glomar Industries, Inc.*, Civil Action No. 66-C-129, in the United States District Court for the Eastern District of New York, decided October 3, 1966, by Judge Zavatt.

There is no decision to the contrary. *Beckman Instruments, Inc. v. Coleman Instruments, Inc.* (7 C. A., 1964), 338 F. 2d 573, cited by petitioners, does not remotely touch the problem. There no license whatever was either applied for or granted. The question here presented thus could not there arise.

**(ii) Law Review Writers Likewise Have Rejected District Court's Rendering of Statute.**

The problem has been examined by writers in three law reviews, all issued prior to the decision of the Court of Appeals in this case. Each rejected the reasoning of the District Court in this case:

34 *George Washington Law Review* 373 (December 1965);

64 *Michigan Law Review* 496 (January 1966);

48 *Journal of the Patent Office Society* 75 (February 1966).

**(iii) Uniform Administrative Construction of Statute Is Contrary to that Proposed by Petitioners.**

The administrative construction of the statute has been in accord. This is shown by the foregoing cases where, after the patent had issued, retroactive licenses were granted by the Commissioner and sustained by the courts.

Only by stopping short the reading of *In re Rinker and Duva* (1964), 145 USPQ 156, can petitioners come to a contrary view of the long-settled administrative construction of the statute. When petitioners' clip from *Rinker and Duva* (page 15 of Petitioners' Brief) is restored to context the passage pointed to (the part quoted by petitioners being italicized) reads as follows (p. 156):

> "Nothing is found in 35 U. S. C. 184 which would restrict the time at which the Commissioner may grant a retroactive license. *Section 185 is not concerned with retroactive licenses* and contains nothing which would restrict that granting."

**(iv) Case Presents No "Problem Area" Calling for Review —Statutory Command Is Plain.**

Statutory construction, of course, is not to be resolved by a counting of noses—whether of federal judges, of law review writers, or of administrators of the statute. However, the unanimity of opinion reflected in the decisions warrants the conclusion that this case brings to this Court no problem area. To the contrary, it suggests that petitioners, if they think congressional will has been so widely misread, should address their arguments to Congress, which can, if it wishes, change the "clear language" of the statute.

**(v) Petitioners Create Case Only by Disregarding Fact Respondent Holds License Statute Requires.**

The fundamental misconception petitioners bring to the case springs from failure to recognize that the companion statute, 35 U. S. C. 185 (which says that a patent "shall be invalid" if issued without license when one is needed) *defines the license* for want of which a "patent shall be invalid," as:

> "the license *prescribed in section 184 of this title* * * *." 35 U. S. C. 185.

The "license prescribed in section 184" *includes* not only the license issued before the foreign filing but also the license "granted retroactively." Both are "prescribed in section 184 * * *." Respondent holds such license.

## II. PERILS PETITIONERS FEAR ARE GROUNDLESS—THEY HAVE NOT MATERIALIZED IN QUARTER CENTURY.

Petitioners find it frightening that inadvertent error may be corrected by a retroactive license.

There is no cause for alarm.

Provision for licensing of foreign patent filings first came into the law in 1941. 55 Stat. 657. That statute did not, in express terms, provide for retroactive licenses. However, the statute, in practice, was construed to authorize the grant of such licenses. This is plain from the House Committee Report (218a-220a) recommending passage of the Boykin Act of 1946, 60 Stat. 940, to authorize expressly the grant of retroactive licenses. (220a.) This is shown also by *In re Lee and Heineman* (1948), 77 USPQ 659, where the Commissioner pointed out that the practice had been to grant such licenses where (p. 659) "a license would have been granted if request therefor had been

made, and the failure to make the request was due to inadvertence * * *."

Thus, retroactive licenses have been granted since the licensing provision first came into the law in 1941. This practice has continued under the present law, as the decisions above noted show.

The point is plain: A quarter of a century of experience with retroactive licensing has not produced the perils petitioners profess to fear.

Nor is there danger to national security. Petitioners may sleep soundly notwithstanding the decision of the Court of Appeals. A retroactive license may issue (1) only if the invention is of no concern to national security, and (2) only if the Commissioner finds the application was "inadvertently filed abroad." One intentionally violating the statute has not done so "inadvertently." Such person can be given no relief under the statute.

Congress has determined that destruction of the patent, a fine up to $10,000, and imprisonment up to two years are deterrents enough to curb the wilful violator, 35 U. S. C. 186, and that public policy does not forbid the grant of a retroactive license to one whose invention is of no concern to national security and who "inadvertently" trips on the statute.

It would be ironic to give to what Congress devised as a relief measure a construction that would, in the name of national security, destroy an invention that the Commissioner has four times certified has no connection with national security, *viz.*:

1. By issuing no secrecy order during the nearly two years the invention disclosed in claims 1 through 8 (the only ones here sued upon) was on file before him.
2. By granting the license of February 5, 1959.

3. By issuing the patent on November 1, 1960—which is the final, formal and irrevocable certification that there is nothing in the patent of concern to national security.
4. By granting the retroactive license of January 8, 1965.

## CONCLUSION.

The petition for a writ of certiorari should be denied, and the case, as ordered by the Court of Appeals, be remanded to the District Court for trial on the merits.

Respectfully submitted

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